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Agenda Item 6c

December 13, 2011

TO: MEMBERS OF THE FINANCE COMMITTEE

- I. SUBJECT:** Budget and Expenditure Report Through the First Quarter of Fiscal Year (FY) 2011-12
- II. PROGRAM:** Administration
- III. RECOMMENDATION:** The Finance Committee recommend the Board of Administration approve the transmittal letter and submission of the Budget and Expenditure Report through the first quarter of FY 2011-12 to the Joint Legislative Budget Committee, fiscal committees of the Legislature, State Controller, and Department of Finance, in accordance with the Budget Act of 2011, and to the Legislative Analyst's Office, State and Consumer Services Agency and the Office of the Legislative Counsel.

IV. ANALYSIS:

Upon approval by the Finance Committee and the Board of Administration, this agenda item will be submitted to the Joint Legislative Budget Committee, fiscal committees of the Legislature, State Controller, and Department of Finance, in accordance with control language included in the Budget Act of 2011; Items 1900-015-0815(1)(c), 1900-015-0820(1)(c), 1900-015-0822(1)(c), 1900-015-0830(1)(c), 1900-015-833(1)(c), 1900-015-849(1)(c), and 1900-015-0884(1)(c). Copies of this agenda item will also be transmitted to the Legislative Analyst's Office, State and Consumer Services Agency, and the Office of the Legislative Counsel.

The attached report includes the following items for the first quarter of FY 2011-12:

- Budget and Expenditure Summary by Function and Division
- Summary Charts by Function
- Graphical Display of Budget and Expenditure by Function
- Position Summary
- Projected and Actual Investment Expenditures
- CalPERS Headquarters Building Account Budget/Income/Expenditure Summary
- Expenditures by Fund Source Summary

The following is a brief summary outlining significant attributes related to the First Quarter Budget and Expenditure Report for FY 2011-12:

- The percentage of budget and expenditures is 30.3 percent of the budget (Attachment 1). At this time last year (FY 2010-11), 28.8 percent of the budget was expended.
- The vacancy rate is 7.7 percent compared to 5.8 percent at the same time last year (Attachment 4).
- Actual investment expenses are 19.0 percent of projected expenses (Attachment 5). At this time last year (FY 2010-11), 15.1 percent of the Investment Budget was expended.
- The CalPERS Headquarters Building Account (Building Account) expenditures are 13.3 percent of budget (Attachment 6). At this time last year (FY 2010-11), 18.6 percent of the Building Account was expended.

V. RISKS:

There are no known risks with accepting the recommendation. Failure to accept the recommendation could put CalPERS at risk of not complying with the provisional language in the 2011 Budget Act.

VI. STRATEGIC PLAN:

This item is not a specific product of the Strategic Plan. It is brought to the Finance Committee and the Board of Administration because it provides important financial information to members and it fulfills the requirements of control language included in the Budget Act of 2011.

VII. RESULTS/COSTS:

CalPERS fulfills the requirements of control language included in the Budget Act of 2011.

DAVE G. CORNEJO, Acting Division Chief
Fiscal Services Division

RUSSELL G. FONG
Acting Chief Financial Officer

Attachments